

May 18, 2007

----- Original Message -----

Subject: Update on Centralizing HR Operations

This is an update on the "HR Optimization Study," which I told you about in an earlier email. Each week, the Group Chiefs and I meet with staff from the Department, our serviced bureaus, and the other bureaus that will be serviced by the centralized HR operations office (those listed below) to study, plan, and discuss aspects of the new organization. At this point, the overall game plan is to have recommendations to a Steering Committee (and ultimately the Deputy Secretary of Commerce) in the **July/August** timeframe; to have a decision made in **September**; and to transition to the new centralized organization by next **March**. As I stated earlier, there will be no RIF and no one will lose their job as a result of any consolidation.

Most of the **big** questions will not be answered until later this summer, e.g., how many people will be in the new HR office, who will it report to, where will it be located, etc. We are doing the groundwork which will eventually answer these questions. For example, we are benchmarking other organizations that have undergone consolidations to determine what worked and what didn't. We are gathering information about how we, and the other HR offices provide services, and how they are structured. And we are assigning tasks to various members of the working group to ensure that when a new HR office is formed, we have considered all the problems that might arise and have come up with solutions to solve them.

Here is a statement from the study group's charter that explains the purpose of the reorganization:

There are currently four human resources servicing offices located within the Herbert C. Hoover Building (HCHB). These four offices service approximately 3500 federal employees. Under the Optimal Services Delivery Initiative it was decided to combine ITA, OS and EDA's HR servicing offices into one, creating a one-stop service center for all HR services to HCHB building occupants, serviced by these three HR offices, except for employees of the "blue carpet" and the IG's office. The overall intent is to decrease the number of HR servicing offices housed in HCHB. Specific organizational design, servicing ratios, cost per FTE and lines of authority and reporting are to be determined.

The principal people who will be affected by this decision are all Department of Commerce employees who receive HR servicing from either the Office of the Secretary (OS), International Trade Administration (ITA), or the Economic Development Agency (EDA). Employees and managers currently receiving HR servicing from these HR offices: OS, ITA, Minority Business Development Agency (MBDA), National Telecommunications and Information Administration (NTIA), Bureau of Industry and Security (BIS), EDA, and the non-SES portion of Bureau of Economic Analysis (BEA).

The three HR servicing offices mentioned above each act independently of each other. Each has an HR Director at the GS-15 or higher. HR Servicing is often accomplished with federal employee staff, contracted staff, or a combination of both federal and contracted staff. As part of this initiative, all combinations will be examined to reach the best value in service level, quality, and cost. Options also exist in the location and organizational structure of an operations center.

The proposed merger of HR offices could cause a reduction in redundancy of services offered, centralize and automate more of the transactional processes, and further revise the HR generalist role to be more client-focused and moving some of the basic work to a shared

services center. The project goal is to establish an HCHB HR Operations Center to provide basic HR functional servicing to the DOC HCHB federal population. The proposed organization will take advantage of the economy of scale, further use of automation and employee self-service functionality, greater consulting flexibility by use of contracted expertise and improved cost per FTE and servicing ratios. This effort will create an office that provides excellent customer service and reliable HR consulting services in all functional areas assigned to include but not limited to talent management, performance management, payroll, record keeping, employee and labor relations consulting and transactional processing.

If you have any questions about the study, or want to offer your opinions and recommendations, please don't hesitate to contact me to discuss. I'll keep you informed as the project moves forward and have asked the Group Chiefs to do the same.

Ron

Ron Glaser
Human Resources Officer
International Trade Administration
Department of Commerce

(202) 482-3505